

RATING INFORMATION

Rating Policy is based on the Funding Policy

The application of the Funding Policy determines the allocation of rates to sectors and therefore the rates on each property. For information on the Funding Policy please refer to the relevant section in the Strategic Statement.

Rating Overview

The rating system provides the net funding requirement for the Council's programme as set out in this Financial Plan.

Rates are levied as a tax on property in compliance with the statutory provisions of the Rating Powers Act (1988).

Property values were revised in September 1998. The next revaluation is in September 2001 and these will apply to the 2002/03 year.

Rates of \$137.58M (exclusive of GST) will be levied for 2001/02. This is an overall increase in the rate requirement of 2.28% over 2000/01 after taking into account the growth in the rating base.

Rate Types

It is planned to levy the following rates. (The figures noted below are exclusive of GST):

- General rates \$90,568,471
- A Uniform Annual General Charge \$12,163,387 (\$105 per property)
- Separate rates for:
 - Water \$11,138,943
 - Sewerage \$15,048,873
 - Land and Stormwater Drainage \$8,657,988

Rate Type Descriptions

General Rates

General Rates are levied on capital values according to the Funding Policy. General rates (including the Uniform Annual General Charge) provide for approximately 74.67% of the total rate requirement of the Council, being the net rate requirement after separate rates are determined.

Uniform Annual General Charge

A portion of general rates is levied as a uniform annual general charge of \$105 per rateable assessment, payable irrespective of property values.

The uniform charge is levied to recover costs which have been determined in the funding policy to:

- provide benefits which are people related;
- have a reasonable correlation between the number of properties and the spread of benefits in the community; and
- to be uniformly consumed by the inhabitants of the community.

Separate Rates

Separate Water Rate. This rate is levied on properties in the serviced area to recover the costs of water supply. Connected properties pay full water rates, non connected pay half rates.

User Charges based on metered consumption are also made for water consumed by properties, other than private residential properties. An allowance is made for the amount of water rates charged.

Separate Sewerage Rate. This rate is levied to recover the costs of sewerage on all properties within the serviced area.

Separate Land Drainage Rate. This rate is levied to recover the costs of land drainage from ratepayers within the land drainage district.

Differential Rating

Differential rating is applied to both General Rates and Separate Rates levied on Capital Values. The quantum of rates required from each sector (Residential, Commercial/Industrial, Rural, and Non Rateable) is based on the Funding Policy allocation which is derived from an analysis of each Council output. The sector requirement for each rate type is then applied to properties within each sector, based on the relative capital values.

The differential sectors are:

Sector A - Commercial and Industrial Properties

Any separately rateable property which is:

- (a) used for a commercial or industrial purpose (including travellers and special purpose accommodation, offices and administrative and associated functions, and commercially owned and operated utility networks); or
- (b) vacant land zoned commercial, industrial or rural industrial under the transitional district plan administered by the Council.

Sector B — Residential and Other Properties

Includes any separately rateable property which is:

- (a) used for residential purposes (including home ownership flats); or
- (b) vacant land zoned residential or rural residential under the transitional district plan administered by the Council; or
- (c) Council operated utility networks; or
- (d) land not otherwise classified under sectors A, C or D.

Sector C - Rural Properties

Includes any separately rateable property which is:

- (a) used solely or principally for:
 - (i) agricultural or horticultural or pastoral purposes; or
 - (ii) for the keeping of bees or poultry; or
- (b) zoned rural under the transitional district plan administered by the Council, but does not include any separately rateable property which is:
 - (i) zoned rural industrial or rural residential under the transitional district plan administered by the Council; or
 - (ii) zoned rural and used principally for residential purposes (including home ownership flats).

Sector D — Institutions (Non-Rateable)

These are properties which are deemed not to be rateable properties pursuant to Sections 4, 5 and 6 of the Rating Powers Act 1988

Although this sector is exempt from paying general rates, it is still liable for separate rates for water and sewerage.

Rates for 2001/02 will be shared among the ratepaying sectors as follows:

- Residential and Base	71.35%
- Commercial/Industrial	26.32%
- Rural	1.44%
- Institutions	0.89%

RATING INFORMATION

The different rating sectors will experience changes to their rates over the 2000/01 rates as follows:

- Residential and Base	+ 2.32%
- Commercial/Industrial	+ 1.54%
- Rural	+ 9.85%
- Institutions	+ 10.42%

Rating by Instalments

The Council provides for rates to be paid in four instalments, with instalment one generally equal to the previous year's instalment four. A ratepayer may elect to pay the whole of the year's rates in one sum before instalment two due date without additional charges.

Additional Charges

An additional charge of 10% will be added to each instalment which remains unpaid after its due date. Previous years' rates which are unpaid will have 10% added firstly in October 2001 and, if still unpaid, again in April 2002.

Additional Charges may be remitted in accordance with the following criteria:

- (a) All applications must be in writing.
- (b) All rates must be paid in full, as a general rule, before remission is considered.
- (c) Remission will generally be given where late payment has arisen due to sickness, death, age or other acceptable genuine reasons.
- (d) No additional charge will be added where payment is received over the counter on the day following due date or through the mail on the second day following the due date.
- (e) Remission of second and subsequent additional charges where satisfactory arrangements are in place for regular payment of arrears.
- (f) Remission on payments made within five working days of due date, where there is no substantiated reason for remission, up to a maximum of one such remission every two years.

(g) Remission in respect of commercial, professional or industrial properties will generally not be granted other than once every five years.

(h) The remission of penalty on current year's rates may be granted where an agreed arrangement for payment is in place which is in excess of the current year's rates.

Postponement of Rates

Statutory provision exists for the Council to remit or postpone rates in cases of extreme financial hardship. The Council has a policy of considering the postponement of rates where hardship exists. Postponed rates are a charge against the property and must be paid either at the end of the postponement term or when the property is sold.

Generally applicants will be over age 65 but consideration will be given in other special circumstances of need.

Interest will be charged on postponed rates for new applicants at the Council's cost of capital rate, currently 6.8%, without incurring additional charges.

Environment Canterbury

The Council acts as agent for the collection of rates for the Environment Canterbury (Canterbury Regional Council) which determines its own rate levels. This policy does not refer to those rates.

Funding Policy

The Funding Policy allocates rates to the four sectors referred to earlier. The factors considered when making such an allocation include:

- general benefits which go to the community
- direct benefits which can be directly attributable to persons or categories of person
- where there is a need to control negative effects (eg pollution)
- modifications. In order to avoid significant adjustment difficulties, the Council may adjust the amount which a sector has to pay.

For further information on the Funding Policy refer to the Strategic Statement.

Rates Payable - 2000/01 Actual and 2002 Financial Plan Compared

Capital Value \$	2000/01 Actual ⁽³⁾ \$	2002 Plan ⁽³⁾ \$	Difference \$
Residential ⁽¹⁾			
120,000	654	667	13
160,000	836	855	19
200,000	1,019	1,042	23
260,000	1,294	1,324	30
300,000	1,476	1,511	35
400,000	1,934	1,980	46
Commercial ⁽¹⁾			
100,000	824	836	12
160,000	1,256	1,274	18
200,000	1,544	1,556	22
300,000	2,263	2,297	34
500,000	3,701	3,758	57
Rural ⁽²⁾			
200,000	506	568	62
300,000	707	800	93
400,000	907	1,032	125
500,000	1,108	1,264	156

Notes:

- (1) Fully serviced properties, and includes a Uniform Annual General Charge of \$105 per property.
- (2) Not paying Water, Sewerage or Land Drainage rate. Includes a Uniform Annual General Charge of \$105 per property.
- (3) Includes GST but does not include the Environment Canterbury rates.